



**RESULTS REVIEW
RESOURCE REQUEST
(R4)
FY 1999**

USAID/KENYA

March 7, 1997

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ACRONYMS

| | |
|--------|--|
| AIDS | Acquired Immune Deficiency Syndrome |
| ASAREC | Agricultural Research in East and Central Africa |
| CCCC | Citizens Coalition for Constitutional Change |
| CGD | Center for Governance Democracy |
| CSO | Civil Society Organizations |
| CSP | Country Strategic Plan |
| EC | Electoral Commission |
| ECWD | Education Center for Women in Democracy |
| ESAF | Enhanced Structural Adjustment facility |
| CSM | Contraceptive Social Marketing |
| FEWs | Famine Early Warning System |
| FP | Family Planning |
| FPEAK | Fresh Producers Exporters Association |
| FY | Fiscal Year |
| GDP | Gross Domestic Product |
| GHAI | Greater Horn of Africa Initiative |
| GOK | Government of Kenya |
| IFES | International foundation of Electoral system |
| HI | Human Immunodeficiency Virus |
| HYV | High Yielding Variety |
| IMF | International Monetary Fund |
| IUCD | Intra-Uterine Contraceptive Device |
| KANU | Kenya National Africa Union |
| KARI | Kenya Agricultural Research Institute |
| KCC | Kenya Cooperative creameries |
| KDHS | Kenya Demographic & Health Survey |
| KEDS | Kenya Export Development Support Project |
| KHCF | Kenya Health Care Financing Program |
| KHRC | Kenya Human Rights Commission |
| KSHS | Kenya Shilling |
| KWs | Kenya Wildlife Service |
| LKWV | League of Kenya Women Voters |
| LSK | Law Society of Kenya |
| MSEs | Micro and Small Enterprises |
| NGO | Non-governmental Organization |
| NTAE | Non-Traditional Agricultural Exports |
| PSI | Population Services International |
| ODA | Overseas Development Agency |
| SME | Small and Medium Enterprise |
| STD | Sexually Transmitted Disease |
| TFR | Total Fertility Rate |
| VSC | Voluntary surgical Contraception |

PART I. OVERVIEW AND FACTORS AFFECTING THE PROGRAM PERFORMANCE

USAID/K is pleased to submit its R4 for FY 1999. The Mission is confident that the R4 will show again that USAID/Kenya is one of the best performing Missions in Africa. We have had our adversities this reporting cycle. Our OYB has been cut by about 50% since 1995, our USDH staff has fallen from 15 in 1995 to 7 in FY 98, and our FSN staff is being decimated. Still, we are ever creative, we have a great staff and we are making the most of our limited resources. The Mission is hopeful that the Agency has hit the bottom and will recover in the out years. The current cuts call into question our ability to deliver results, any further cuts will significantly compromise the program.

Our program is built on a partnership with Kenya's vibrant private and non-governmental sector. Our program is proof that one can achieve stunning development successes without directly involving the government. Our program directly contributes to the achievement of the Agency's goals and objectives and GHAI. Highlights of the positive and negative factors which have affected the program this year are provided below.

Sustained Economic Performance: Economic performance has been Kenya's strong suit over the last couple of years. The government has committed itself to economic reform. The capable leadership of the Ministry of Finance and the Central Bank have turned the economy around and economic growth is being sustained. GDP growth recovered from the dismal drought years in the early 1990s when the economy only grew by half a percent to record 4.9% growth in 1995 and projected growth of 4 to 5% in 1996. Inflation dropped from over 100% in 1993 to 1.6% in 1995, although, due largely to the drought, it rose steadily to 9.0% in 1996. The budget deficit which was at its highest peak at 11.4% of GDP in 1993 declined substantially to 2.6% in 1995.

The government has done away with foreign exchange controls, removed trade licensing and price controls, and liberalized the exchange rate. Many opportunities for rent seeking have been eliminated. The budgeting process has been made more transparent with the help of the World Bank and the IMF. With the election around the corner, the focus will be on maintaining the progress made on the economic front.

These changes have had a positive impact on our program. Micro and small enterprises as well as non-traditional export production has increased, resulting in employment and income increases. In the rural areas, farmer productivity is expected to advance as economic liberalization, and improved technologies are commercialized and transferred.

Greater Horn of Africa Initiative: USAID/Kenya is committed to the principles and objectives of the Greater Horn of Africa Initiative. Our program is contributing to GHAI objectives including African ownership, linking relief to development through Title II and emergency drought relief as well as promoting regional approaches. The liberalization of the grain market which the Mission has supported for many years and was realized in 1994 has boosted regional trade in GHAI countries. Egerton University, a long term Mission partner and a leading center of excellence in agricultural training, research and extension in the region, has trained over 600 students from East, Central and Southern Africa. These students have returned and are applying the skills they learned in their countries. Improved varieties of seeds developed with USAID support at Kenya Agricultural and Research Institute are now being used by farmers in Uganda, Rwanda and Tanzania. USAID-

supported NGOs use their operations in Kenya as learning laboratories for expansion to GHAI countries. The Kenya Health Care Financing Program has set an example that other GHAI countries are emulating as they design or modify their own strategies to cope with health care financing issues. The Mission programs in economic growth and population and health are models that can be easily replicated in the region. Under any scenario, Kenya plays a critical role in GHAI.

In applying the principles of GHAI, our entire democracy and governance portfolio is African led. We respond to unsolicited proposals by the politically active Kenyan NGOs, several of which are active in conflict prevention as well. In order for the Mission to better understand potential sources of conflict in the country (and to understand why Kenya is one of the only countries in the region which has not imploded) we are working with a group of about 20 Kenyan researchers who are preparing papers on different aspects of conflict in the country. We will use the analysis to inform our work in this area.

New Partnership Initiative: As a leading edge Mission, the Mission's experience provided useful input into the effectiveness of using the NPI approach. Because our existing program already reflected NPI precepts, we explored the potential value added to our activities which link the burgeoning role of civil society, the business community and institutions of local government. USAID/Kenya used this approach to strengthen the cross-cutting linkages among our SOs and to enhance our cross-cutting performance indicators.

Political Trends: In the political realm, we face an election this year. Many of the political changes in Kenya result in one step forward and two steps back. The GOK has signed the U.N. Convention Against Torture and Other Forms of Cruelty on February 11, 1997. Following the deaths of two students at Kenyatta University, the police chief was sacked and the police involved in the killings were arrested. This sort of disciplinary action never would have happened five years ago. The new police chief announced in the newspapers that suspects should be well treated while in custody. Amnesty International has been involved in the autopsy of a university union student leader who died in questionable circumstances. Yet, while there are many problems, there is a remarkable amount of space in which civic society can operate. There are now over 700 registered NGOs, many of them very politically active. Civic education programs go on around the country. A few meetings are broken up, but by and large, the activities continue unabated.

The President did not take the opportunity in September 1996 to appoint an independent electoral commission and thus USAID will not be working directly with the commission on the elections. The lack of independence of the commission will negatively impact our ability to achieve our intermediate result on free and fair elections. This IR has always been high risk.

Poor Rainfall and Severe Drought: Erratic rainfall coupled with substantial reduction in the maize hectareage in the agricultural rich zones of Western and Rift Valley provinces led to a significant shortfall in the national production. As the drought continues unabated, the environment, vegetation, cereals production and welfare conditions in drought areas deteriorates. Both children and adults are malnourished and susceptible to disease. Livestock mortality has risen to high levels. The failure of rains last year is constraining realization of results in the Mission's agriculture and private sector strategic objective as described in Part II. As a result of poor rains, Kenya

moved from being a food surplus producing country in 1995 to a chronic food deficit country last year, diverting GOK and donor resources to emergency interventions.

Suspension of Title II Program: In November 1995, AID/W suspended indefinitely the overall PL 480 Title II program in Kenya. The suspension of this results producing program was due to differences related to imposition of duties and taxes by the Government of Kenya on Title II food commodities. This suspension was lifted in February 1997. In 1996, the Mission integrated the Title II program into the Mission's program at an intermediate result level. However, due to the suspension, the performance of the Title II program will be more than a year off schedule.

HIV/AIDS: HIV/AIDS continues to be a serious problem in Kenya. HIV prevalence among adults is estimated to have increased from 3.5% in 1990 to 8.5% in 1996. There are over one million people infected with HIV in Kenya, and in some urban sentinel surveillance sites, *up to 30% of women attending antenatal clinics are HIV positive.* If the current trends continue, HIV prevalence among adults could reach 10% by the year 2000, with most of those infected within the ages of 20-45, the prime working years. Numbers of infected people could reach 1.8 million by the year 2000. The major urban hospitals currently report that up to one half of their beds are occupied by patients suffering from AIDS. Their capacity to continue delivering basic health care services in the future is in question. Thus, even while the indicators of fertility and population growth show amazing progress, infant and child mortality are rising.

Declining Budgetary and Staff Resources: Frankly, the Mission has found it difficult to rationalize the staff cuts which we have been asked to take. Washington approved what is for all practical purposes a sustainable development program for Kenya. Before the review of the CSP was even completed, Kenya was designated a "limited assistance" country. Nonetheless, the Mission continues to turn in one of the best performances in the Bureau each year. We have model programs which are being replicated in other African countries. We need two USDH technical officers in population and health and agriculture/private sector SOs. There is no free lunch, we need the staff to drive the SOs. Equally as important, we are very concerned about the precipitous drop in our FSN numbers. We cannot support both the Mission and REDSO\ESA with the number of positions we have been allocated. We will provide full details in the resources section.

STRATEGIC OBJECTIVE 1.0: *Effective Demand for Sustainable Political, Constitutional and Legal Reform Created.*

Although USAID investment in DG sector is relatively new (having started in 1995), it has already contributed to efforts in support of a democratic transition in Kenya following the repeal of Section 2(a) in 1991 to allow for multi-party political competition. The most noticeable outcome of this democratic opening has been the expansion of civil society organizations involved in advocacy work and the creation of rights awareness. Registered NGOs have increased from 400 in 1992 to 710 by December, 1996, nearly 100 of which are involved, primarily or tangentially, in such activities. Even during this short period, the intensity of debate regarding GOK actions and policy statements has noticeably increased in the press, in parliament, and among the wider Kenyan public in various open forums. This year of reporting witnessed a marked increase in the number of groups, including those USAID has funded, demanding changes in the way elections are conducted, documenting and protesting illegal land acquisition and the abuse of human rights, and offering legislative remedies for corruption and other examples of poor governance.

USAID-supported civil society organizations made substantial progress in galvanizing sections of civil society to take up issues with different departments of the government. Indeed, the increase in citizens' awareness of these and related issues is attributable in large part to the activities of USAID-funded leading human rights organizations such as the Kenya Human Rights Commission (KHRC), the Citizens' Coalition for Constitutional Change (CCCC), the International Commission of Jurists (ICJ), the International Federation of Women Lawyers (FIDA), CLARION and the Youth Agenda, all of which, in various ways, combine civic education with public advocacy. Under this strategic objective we achieved the following significant results: First, USAID has helped civil society organizations to initiate public debate that has helped focus public attention on problems of governance and human rights. Second, our support has enabled particular actors within civil society to respond quickly to adverse actions by the government. Third, USAID-supported NGOs have formed coalitions which have become effective in mobilizing the general public to stand up for their rights. The Kituo Cha Sheria, Mazingira Institute and the NGO Council formed "**Operation Firimbi**" (Whistle) which has become very active in exposing instances of illegal land allocation and in organizing citizens' protests against it. This is a new and innovative approach to addressing this problem, which is now even being taken up by communities not directly linked to this "Operation".

As a result of these initiatives aimed at demanding political, constitutional and legal reform, the weighted effective demand index improved from 1.0 in 1995 to 2.0 last year. The Mission will continue to monitor these factors and will be reporting each year in the R4.

USAID is working with an umbrella lobby group, the Citizens' Coalition for Constitutional Change (CCCC), to draft and publicize a `Model Constitution` which has encouraged a much higher level of debate on the need for constitutional reform. It recently produced a paper highlighting the constitutional provisions and other laws that ought to be removed or amended before the next general elections. High on the agenda was the repeal of those laws which restrict freedom with respect to media access, the nomination of candidates, voter registration procedure, and the establishment/adjustment of constituency boundaries. Additionally, this group is working closely with opposition members of parliament in drafting bills to be tabled in the National Assembly. This is being done against a backdrop of parliamentary rules and regulations that continue to frustrate

Strategic Objective 1.0: Effective demand for sustainable political, constitutional, and legal reform created

efforts to present such bills, but is seen as part of a wider effort of civic education, even if immediate results may not be achieved.

In terms of more general reform efforts, the CCCC has continued to lead the call for a national convention which would revamp the entire constitution. As part of the preparation for this undertaking, five seminars have been held on land, labor and economic rights and environmental protection under a new constitution, the role of members of parliament and other politicians in the constitutional debate, and women and the constitution. These have been attended by 535 people (including 223 women) from all regions of Kenya, thus ensuring that this fundamental issue remains on the public agenda.

| STRATEGIC OBJECTIVE 1: Effective demand for sustainable political, constitutional and legal reform created | | | | | | | | | | | |
|---|---------------|--|---------------|---------------|---------------|------------------------------------|-----|--|-----|---|-----|
| APPROVED: 30/09/96 | | COUNTRY/ORGANIZATION: USAID/Kenya | | | | | | | | | |
| RESULT: Effective demand for sustainable political, constitutional, and legal reform created | | | | | | | | | | | |
| INDICATOR: Weighted effective demand index | | | | | | | | | | | |
| UNIT OF MEASURE: Index | YEAR | PLANNED | ACTUAL | | | | | | | | |
| SOURCE: USAID, Print Media, NGO Council | | | | | | | | | | | |
| INDICATOR DESCRIPTION: The following factors were used to calculate effective demand index. Weights attached to each factor are shown. The scores ranged between 1-5, with 1 the lowest score and 5 the highest possible score. | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Factor</th> <th>Weight</th> </tr> </thead> <tbody> <tr> <td>a) Interest groups initiate debate</td> <td>35%</td> </tr> <tr> <td>b) Local groups respond quickly to adverse actions</td> <td>50%</td> </tr> <tr> <td>c) Relevant interest groups form coalitions</td> <td>15%</td> </tr> </tbody> </table> | | | | Factor | Weight | a) Interest groups initiate debate | 35% | b) Local groups respond quickly to adverse actions | 50% | c) Relevant interest groups form coalitions | 15% |
| Factor | Weight | | | | | | | | | | |
| a) Interest groups initiate debate | 35% | | | | | | | | | | |
| b) Local groups respond quickly to adverse actions | 50% | | | | | | | | | | |
| c) Relevant interest groups form coalitions | 15% | | | | | | | | | | |
| COMMENTS: The weighted effective demand index is the sum of the score for each factor multiplied with the weight. If the index is 4.0 or above, it implies that the demand for change is yielding positive results. The Mission will calculate the index for FY 97 to FY 99 after assessing the political environment following the 1997 elections. | | | | | | | | | | | |
| | 1995 (B) | | 1.0 | | | | | | | | |
| | 1996 | N/A | 2.0 | | | | | | | | |
| | 2000 | 2.8 | | | | | | | | | |

USAID-assisted civil society organizations have also focused public attention on vital problems of governance, including the causes of the rising crime rate, police brutality and the abuse of human rights. The Kenya Human Rights Commission has persistently taken the government to task on the issues of police brutality including police killings and forced confessions. They have produced and publicized documentary evidence of such injustices which has been carried in the print media, quarterly reports and other periodic local and international publications. This forced the GOK to acknowledge the existence of such abuses, especially the mistreatment of prisoners and suspects. The formation by the GOK of its own Standing Committee on Human Rights is an acknowledgement not just of the existence of the problem, but also of the expanding credibility of the KHRC's work, which it is apparently seeking to counter.

Over the period under review, USAID support was aimed at enlarging civil society's capacity to respond more quickly and forcefully to adverse actions from the GOK. This is seen in the shelving or revision of several critical bills, while even others which passed (due to KANU's large majority) have been subjected to much more vociferous debate in parliament and the press. Two USAID grantees, the Center for Governance and Development (CGD) and the Nairobi Law Monthly Trust (NLMT) analyzed and publicized two critical bills aimed at curtailing freedoms of the press and of

association that Kenyans continue to enjoy. Apparently, as a result of this publicity campaign and other pressure, the GOK failed to submit these bills for parliamentary approval.

The past year has witnessed increasing instances of police brutality, daylight robberies and rural violence leading to the loss of many lives. These have been met by citizens' protests in newspapers, churches and civic education forums. The recent outcry against the shooting deaths of three university students by the police led to the replacement of the head of the police force. A more recent brutal murder of a university student following his one week abduction by plainclothes police who attempted to conceal their identity, led to further demonstrations by students from the state universities and tertiary colleges, which have subsequently all been closed by the GOK. The students were joined by members of the KHRC and the Release Political Prisoners pressure group (including an alumni of the USAID-funded Marquette University democracy training program). During these demonstrations, as well as at the funeral of the latest victim, the youth expressed disillusionment with the old leaders within both the government and the opposition. They called for a new vision and a new Kenya devoid of killings and in which public institutions function so as to encourage youth's contribution to the democratization process, rather than punish them for attempting to participate in it.

Given that the transition to genuine multiparty democracy is so painstaking, it is imperative that donors, including USAID, continue to provide support to the main actors in civil society who are demanding political, legal, and constitutional reform. The moral and financial support donors offer these organizations is critical to promoting alternative views and creating political space for the much needed voices of resistance without which Kenyans would be exposed to even greater human rights violations and distortions of democratic rule.

INTERMEDIATE RESULT 1.0: *Civil society strengthened with emphasis on women's participation.*

USAID is targeting its limited DG resources on key agents in the civil society sector which are best able to serve as effective constituencies for reform. The Mission views women as key actors in building a more participatory and sustainable democracy. This year of reporting saw a marked increase in the number of women joining organizations that USAID monitors and supports. For example, in 1992, before USAID started investing in the DG sector, the annual percentage increase in women's membership in four main NGOs supported by USAID was 18%. After USAID entered into the civil society sector, women's membership in these organizations increased by 59%, exceeding our target of 10% per annum. This reflects a heightened desire by women to pursue common interests through organized groups to increase their effectiveness within civil society. USAID expects that women will continue to join such civic organizations at the rate of at least 10% per annum up to the year 2000.

Strategic Objective 1.0: Effective demand for sustainable political, constitutional, and legal reform created

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|---|-------------|--|---------------|
| STRATEGIC OBJECTIVE 1: Effective demand for sustainable political, constitutional and legal reform created | | | |
| APPROVED: 30/09/96 | | COUNTRY/ORGANIZATION: USAID/Kenya | |
| INTERMEDIATE RESULT 1.0: Civil society strengthened with emphasis on women's participation | | | |
| INDICATOR: Number of women candidates contesting local and national election | | | |
| UNIT OF MEASURE: Actual count of women contesting 1997 general elections (number) | YEAR | PLANNED | ACTUAL |
| SOURCE: USAID grantees | 1992 (B) | | 150 |
| INDICATOR DESCRIPTION: | 1997 | | >150 |
| COMMENTS: Despite general apathy Kenyans have shown towards the 1997 elections compared to optimism that characterized those of 1992, we still expect women candidates contesting various seats in 1997 to increase over and above the 1992 figure. Performance target will be established after a baseline survey is completed for this IR. This survey is scheduled for August 1997. | | | |

Additionally, organizations that we support are promoting networking among women leaders drawn from local as well as the national level and from different political parties. For example, programs of the Education Center for Women in Democracy (ECWD), the League of Kenya Women Voters (LKWV) and the National Democratic Institute (NDI) are aimed at encouraging the candidacy of women for both local government and parliamentary seats. In 1992, 150 women stood for these posts throughout the country, the highest number since independence. Of these, 45 were elected to local councils and 6 to parliament. Since then, several of our NGO partners have come forward to provide institutional support not only to elected leaders, but also to those women who were previously unsuccessful with a forum to exchange information about experiences during their campaigns. These organizations have enabled women leaders from different political parties (including the ruling party) to exchange views and learn from each other. During this year of reporting, history was made when one woman was elected as chairman of a county council and another as mayor of a municipality. Both had gone through leadership training carried out by the ECWD and the NDI. The networking facilitated by these organizations has enabled many women to realize their leadership potential. Today a total of 60 women have so far approached these organizations to declare their interest in contesting various elective posts, including one who has declared her interest in vying for the presidency. Although some women associated with the ruling party denounced her for doing so, she has received considerable support from both men and women across (opposition) party lines. This could not have happened a few years ago and is attributable to the increased awareness by women of their leadership potential brought about by the political empowerment which these civic organizations are promoting. The fact that women have approached these organizations for such training many months before the elections indicates how much they appreciate the role these organizations are playing. We expect that the number of women standing for elective seats in the 1997 general elections will surpass the 150 who stood in the 1992 general elections.

INTERMEDIATE RESULT 1.1: *Organizational and Outreach Capacity of Civil Society Organizations Expanded*

The Mission considers this intermediate result most significant to achieving effective demand for sustainable political, constitutional and legal reform in Kenya. For democracy to thrive, NGOs must increase their outreach capabilities allowing them to reach more people of varied social backgrounds with civic education programs. Thus, USAID/K is focussing on enhancing the effectiveness of NGOs through the provision of institutional support to address their structural weaknesses and assist them in program planning. NGOs need to practice accountability and transparency, especially since they are in the business of challenging the government on these very principles. In this reporting year, USAID assistance resulted in streamlining the personnel and financial systems of 25 of our NGO partners. USAID expects that as the personnel and management systems of these organizations improve, they will be able to expand their activities in the rural areas while reaching more diverse sections of Kenya's population. For example, last year alone, the League of Kenya Women Voters and the Education Center for Women in Democracy reached 1,500 and 1,800 rural women respectively in terms of training and participatory activities, reflecting an annual increase of 100% over the previous year.

Although most of the civil society organizations supported by USAID are urban based, 60% of them carry out some of their programs outside urban centers. In 1996, four such NGOs expanded their outreach by 24%. The Mission expects that by 2000, of the total population reached by NGOs, 80% will be rural people. A recent USAID-funded civic education impact study established that civic education programs are more effective where the providers have geographical or issue connection with participants. The same study established that the three mainstream churches account for nearly two-thirds of participants reached through civic education programs. These churches are closer to the people both physically and in terms of the relevance of the issues discussed at their seminars. For example, the Catholic Church and the Church of the Province of Kenya (CPK) are on the ground providing hospital facilities, schools and famine relief, as well as civic education. People therefore trust them and take the civic education they provide more seriously than would otherwise be the case. And because their huge constituencies are made up of 'captive audiences', churches have become a very powerful force in Kenya. They have challenged the GOK on various issues including the issuance of ID cards and on efforts to deal with the impact of the famine that has ravaged the country in recent months. The Catholic Church has been successful in getting the GOK to declare a state of emergency to enable various organizations to deliver food to the starving more efficiently, and in getting the GOK to extend the period for issuance of national ID cards. USAID will endeavor to work more closely with religious organizations throughout the life of the current strategic objective in those areas where much cooperation is conducive to achieving results.

Our DG program works with Kenyan NGOs to increase their capacity for conflict prevention and mitigation. In this respect, one of our grantees is working with a local community on these issues in Rift Valley Province. The Mission will report results of this program in next year's R4. Additionally, the Mission is currently having an assessment made of the potential and actual sources of conflict in Kenya. Based on its findings, we plan to develop a conflict intervention strategy/program which will be integrated into the Mission's DG activities in the context of the wider GHAI framework.

Strategic Objective 1.0: Effective demand for sustainable political, constitutional, and legal reform created

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|---|-------------|--|---------------|
| STRATEGIC OBJECTIVE 1: Effective demand for sustainable political, constitutional and legal reform created | | | |
| APPROVED: 30/09/96 | | COUNTRY/ORGANIZATION: USAID/Kenya | |
| INTERMEDIATE RESULT 1.1: Organizational and outreach capacity of civil society organizations' expanded | | | |
| INDICATOR: Percent of population reached by NGO civic education programs that is rural) | | | |
| UNIT OF MEASURE: Percent | YEAR | PLANNED | ACTUAL |
| SOURCE: USAID Survey | 1992 (B) | | 10 |
| INDICATOR DESCRIPTION: Rural means non urban population. The figures are calculated for NGOs that provide grassroots services by taking number of rural population reached as a percentage of total population reached by NGOs. * This figure was calculated based on data collected from four organizations. | 1996 | | 24* |
| | 1997 | 50 | |
| COMMENTS: Mission expects that by the year 2000 about 80% of the population reached by 10 selected grantees will be rural based. | 1998 | 60 | |
| | 1999 | 70 | |
| | 2000 (T) | 80 | |

INTERMEDIATE RESULTS 2.0: *Electoral Process More Transparent*

USAID views the elections scheduled for 1997 as an important event in the life of the strategy. However, the Mission recognizes that most of the responsibility for bringing the elections closer to a democratic standard lies with the GOK. The success of elections will depend on whether the government facilitates a more transparent and open electoral process to allow different parties to compete for votes on more or less equal terms. USAID activities in support of the upcoming elections are aimed at encouraging a more liberal and competitive politics in Kenya. If the electoral environment and its conduct are to be judged as an improvement over those held in 1992, then the entire period leading up to the voting day is critical in determining both its outcome and its longer term contribution to political change.

A Mission-supported team from the International Foundation for Electoral Systems (IFES) assessed the Electoral Commission's capability to manage the upcoming elections and developed a technical proposal on how it can be assisted in doing so. The Mission distributed this report widely among donors, the GOK and NGOs. The report has contributed to a vigorous debate among political parties, donors and NGOs on the issue of the uneven electoral environment. Local organizations took the debate even further by holding seminars and workshops to publicize electoral issues. The dissemination of this report helped to generate better informed debates in various NGO forums and the press. Compared to 1992, the wider Kenyan public is now much better informed and concerned about what a free and fair election entails.

Strategic Objective 1.0: Effective demand for sustainable political, constitutional, and legal reform created

| STRATEGIC OBJECTIVE 1: Effective demand for sustainable political, constitutional and legal reform created | | | | | | | | | | | |
|--|-------------|--|---|-----|------------------------------------|-----|---|-----|------|-----|-----|
| APPROVED: 30/09/96 | | COUNTRY/ORGANIZATION: USAID/Kenya | | | | | | | | | |
| INTERMEDIATE RESULT 2.0: Electoral process more transparent | | | | | | | | | | | |
| INDICATOR: Weighted electoral environment index | | | | | | | | | | | |
| UNIT OF MEASURE: Index | YEAR | PLANNED | ACTUAL | | | | | | | | |
| SOURCE: Print Media, USAID Survey | | | | | | | | | | | |
| INDICATOR DESCRIPTION: The following factors were used to calculate the index. Weights attached to each factor are shown on the weight column. The scores for all factors range between 1-5, with 1 the lowest and 5 the highest possible score. After assessing the electoral environment we scored the factors. None of these factors scored more than 2 points out of 5 points. | 1992 (B) | | 1.0 | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Factor</th> <th>Weight</th> </tr> </thead> <tbody> <tr> <td>a) Percent of eligible voters issued ID cards</td> <td>30%</td> </tr> <tr> <td>b) Harassment of political parties</td> <td>60%</td> </tr> <tr> <td>c) Political party access to electronic media</td> <td>10%</td> </tr> </tbody> </table> | Factor | Weight | a) Percent of eligible voters issued ID cards | 30% | b) Harassment of political parties | 60% | c) Political party access to electronic media | 10% | 1996 | N/A | 1.3 |
| Factor | Weight | | | | | | | | | | |
| a) Percent of eligible voters issued ID cards | 30% | | | | | | | | | | |
| b) Harassment of political parties | 60% | | | | | | | | | | |
| c) Political party access to electronic media | 10% | | | | | | | | | | |
| COMMENTS: The index is calculated by summing the score for each factor multiplied by the respective weight. If the index is 4.0 or above, it implies that the electoral environment is favorable. This IR has a short-term dimension. After completion of 1997 elections, the Mission will undertake an assessment of the DG environment and based on this assessment, update/revise some IRs | 1997 (T) | 2.0 | | | | | | | | | |

USAID has always advocated the establishment of an independent electoral body as critical to reducing bias in the competition for power. USAID hoped that when the Commission was reconstituted, the government would appoint independent, broadly acceptable and credible people to serve as commissioners. However, when several of their terms expired in September 1996, such changes did not occur, a clear indication that the government was reluctant to dispense with the existing rules that favor the incumbent party and president. Since the Commission was not reformed, USAID will not be working directly with it.

USAID recognizes that the creation of an enabling environment for free and fair elections remains the prerogative of the KANU government. However, the Mission can provide Kenyans with accurate information regarding the electoral process. The US Embassy DG team is providing a leadership role among donors in the ongoing discussions on the electoral process. We will continue to monitor and assess the electoral environment, and we will provide a detailed, retrospective analysis of the election and its conduct in next year's R4.

The Mission is using a weighted electoral environment index to monitor the electoral environment as we move towards the elections. As the performance table below shows, in 1992, the number of people issued with ID cards enabling them participate in the elections was small, political parties were harassed, and tight control was maintained over the electronic media. By the end of 1996, over 50% of the eligible voters had been issued with ID cards. However, the harassment of political parties has continued, including the failure of the GOK (for nearly two years now) to register at least one new political party, SAFINA. Opposition parties have likewise received scant coverage in the government controlled media. In summary, the electoral environment index is low (1.3) implying that it has not been equally favorable to all political parties.

Expected Results Through Fy 1999 and Management Actions

The analysis of this SO indicates that the civil society sector has continued to thrive and record notable gains in advancing the case for a more democratic system. USAID and other donor assistance has clearly contributed to this progress. These gains are by no means insignificant given the unresponsiveness of the current regime. The challenge for the Mission in the future will be to support a selected number of NGOs which are effective in creating a more widespread demand for legal and constitutional reform as a new generation of Kenyan political leaders comes of age.

As shown above, USAID-funded NGOs have been active in advocating for change in the past one year. The Mission expects that these pressure groups will continue to initiate debate on various issues and form coalitions to react quickly to adverse actions. We expect that as these groups become more proactive, our weighted effective demand index will rise to 2.8 by the year 2000, implying a major change (compared to 1995) in demand for sustainable political, constitutional, and legal reform. The Mission will undertake an indicator refinement exercise in June 1997. We also plan to do a DG assessment after the 1997 elections in 1998. The evaluation of DG activities is planned for 1998. We just completed a study on civic education programs that will inform us what constitutes effective civic education. The results of this effort will be reported in next year's R4. The election process and outcome will clearly have an impact on this SO. Again, this will be reported in the next R4.

STRATEGIC OBJECTIVE 2.0: *Increased Commercialization of Smallholder Agriculture and Natural Resource Management*

Kenya is at a crossroads. It can either go on a path of sustainable development or a path towards crisis and a failed state. Economic growth is absolutely essential to alleviate some of the main sources of conflict -- poverty, unemployment, and food insecurity. Under this strategic objective, USAID/Kenya, in collaboration with other development partners under the Kenya's Agriculture Sector Investment Program, aims at transforming Kenya's smallholder agriculture from a semi-subsistence production system to one that is commercially-oriented. Productivity gains will be achieved as smallholder households respond to market incentives and produce more for the market. Diversification to a mix of profitable crops will increase household incomes and enhance food security.

Over the period under review, most of the activities and intermediate results expected to achieve this strategic objective were either being designed or in an unusually long and protracted contracting process. USAID/Kenya, in an effort to manage for results, had strategically chosen to build on these activities based on assessments of our past investments in Kenya's economic growth sectors, some of which were still ongoing during the review period.

Highlights

<Proportion of smallholder maize production marketed increased from 12% in 1992 to 24% in 1996.

<Eco-tourism enterprises in areas outside parks and reserves have increased from zero in 1995 to twenty in 1995, improving natural resource management.

<Eleven new varieties of export horticultural crops have been released to farmers in 1995/96, giving farmers more opportunities to increase their incomes through commercial production.

<Fresh fruit, vegetable and flower exports increased 16% in 1996.

<The microenterprise sector continues to play a

Liberalized markets are working. In 1996, the proportion of smallholder maize production marketed was 24% compared to 12% in 1992 when maize markets were controlled by the government. Although this doubling of maize marketed indicates substantial progress towards agriculture commercialization, the rate of 24% is below the 1996 target of 30% for this indicator. This can be attributed to a drop in production caused by both drought and low price incentives. It should be noted that smallholder farmers normally sell food only after they have enough for their household's needs and that in times of low production, subsistence becomes paramount. Drought will continue to affect performance in the Mission's ongoing economic growth activities. However, we have put in place a mechanism, backed by continuous monitoring by the USAID/Famine Early Warning System (FEWS) project, that will help the USG to respond and minimize suffering and hunger in the affected areas using both humanitarian assistance and regular PL 480 resources.

In the next four years, we expect that the proportion of smallholder maize production which will be marketed will reach 35% in 1997 and increase to 45% in 1999. Recent reports by the USAID/FEWS project show that many former maize farmers are already diversifying to other higher-value crop enterprises like dairy, wheat, and horticulture that are produced entirely for the market. This means that the percentage of total smallholder production that is marketed may be far higher than that of maize production. The Mission is currently funding a major survey that will

Strategic Objective 2.0: Increased commercialization of smallholder agriculture and natural resource management

use the research capacity we have created in Egerton University to establish a baseline for this broader percentage as well as for other impact indicators. This information will also be important for monitoring the larger Agriculture Sector Investment Program co-financed by other donors and the GOK.

On environment and natural resource management, community investments in areas adjacent to parks and reserves have increased by 38% in 1996 due to improvements in community sensitization to environmental conservation under USAID COBRA areas. Community involvement in these ventures have helped minimize human-wildlife conflict in addition to increasing community participation in biodiversity and environment conservation.

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| STRATEGIC OBJECTIVE 1: Increased commercialization of smallholder agriculture and natural resources management | | | |
| APPROVED: 30/09/96 | | COUNTRY/ORGANIZATION: USAID/Kenya | |
| RESULT: Increased commercialization of smallholder agriculture and natural resources management | | | |
| INDICATOR: Smallholder maize production marketed | | | |
| UNIT OF MEASURE: Percent | YEAR | PLANNED | ACTUAL |
| SOURCE: Economic Survey, Special Studies, Ministry of Agriculture Reports | 1992 (B) | | 12 |
| INDICATOR DESCRIPTION: Smallholder maize marketed divided by total smallholder maize output | 1996 | 30 | 24 |
| COMMENTS: As agriculture transformation and commercialization occur, market mechanisms become more important. Farmers will sell more of their output and buy more of their food needs. Maize, which accounts for more than 70% of all food crops produced, is the single best indication that such commercialization is occurring. The drought will continue to affect our program next year. | 1997 | 35 | |
| | 1998 | 40 | |
| | 1999 (T) | 45 | |

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| STRATEGIC OBJECTIVE 1: Increased commercialization of smallholder agriculture and natural resources management | | | |
| APPROVED: 30/09/96 | | COUNTRY/ORGANIZATION: USAID/Kenya | |
| RESULT: Increased commercialization of smallholder agriculture and natural resources management | | | |
| INDICATOR: Growth in selected natural resource management-related investments in USAID target areas | | | |
| UNIT OF MEASURE: Percent | YEAR | PLANNED | ACTUAL |
| SOURCE: Kenya Wildlife Service | 1995 (B) | | |
| INDICATOR DESCRIPTION: Annual percentage change in community-based eco-tourism investments, as measured in Shillings. | 1996 | 25 | 38 |
| COMMENTS: | 1997 | 25 | |
| | 1998 | 25 | |
| | 1999 | 25 | |
| | 2000 (T) | 25 | |

INTERMEDIATE RESULT 1.0: *Increased Strength and Competitiveness of Agricultural Markets.*

USAID's continued assistance to reform Kenya's agricultural policy and markets has helped strengthen and increase private sector participation in these markets. In 1996, the government completely pulled out of the Kenya Cooperative Creameries, the main dairy processor in the country. This left the dairy sector wholly in the hands of the private sector with more than thirty small dairies being established in the last two years. The American Breeders Service (ABS), using USAID assistance from the Global Bureau, is selling U.S. dairy equipment to Kenyan private entrepreneurs to help boost dairy production and commercialization under a liberalized environment. Demand for this equipment is increasing and ABS is now competing in a market potentially worth millions of dollars.

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| STRATEGIC OBJECTIVE 1: Increased commercialization of smallholder agriculture and natural resources management | | | |
| APPROVED: 30/09/96 | | COUNTRY/ORGANIZATION: USAID/Kenya | |
| RESULT 1.0: Increased strength and competitiveness of agriculture markets | | | |
| INDICATOR: Sales of maize to the state corporation (NCPB). | | | |
| UNIT OF MEASURE: Percent | YEAR | PLANNED | ACTUAL |
| SOURCE: Ministry of Agriculture | 1995 (B) | | 45 |
| | 1996 | 35 | 8 |
| | 1997 | 30 | |
| | 1998 | 25 | |
| | 1999 | 20 | |
| | 2000 (T) | 15 | |
| INDICATOR DESCRIPTION: Amount of maize sold to NCPB, a parastatal, divided by total maize marketed. | | | |
| COMMENTS: NCPB has been a monopolistic force with pricing, import and other controls of cereals since independence. Limiting NCPB's role to strategic reserves and price stabilization only--and eliminating their "commercial buyer of first choice" role will allow private sector traders to play a central and more vibrant role in cereals trade. | | | |

In the 1995/96 crop year, the National Cereals and Produce Board (NCPB), a government parastatal, bought only one million bags of maize (8% of total marketed output) compared to a past annual average of more than 3.5 million bags (or 45% of total marketed output) for a similar production year. The remainder of the more than 12 million bags available in the market were sold to the private sector by farmers who were buying on "cash-on-delivery" terms as opposed to NCPB's two week delays and strict quality requirements. This unexpected minimal involvement of NCPB was mainly because the GOK restricted NCPB's purchases for the 1995/96 crop year to one million bags for the national strategic reserves.

A stronger private sector is expected to play a critical role in ameliorating the severity of the current drought by importing maize from both the region and the international market. USAID/Kenya is encouraging the private traders, through various fora, to look for regional sources of food trade within the Greater Horn and/or the southern Africa regions. In this way, the Mission is encouraging regional approaches to the current food security problem as stipulated in the GHAI initiative. In 1995, Kenya's cereals bumper crop allowed it to export 150,000 tons of maize. During the current shortfall, maize is being imported from Ethiopia and elsewhere. Proposed PL-480 relief and monetization programs are incorporating the relief-to-development continuum principle by emphasizing self-targeting in relief distribution and supporting long-term development that encourages market development. Even in the current drought, we are exploring innovative ways

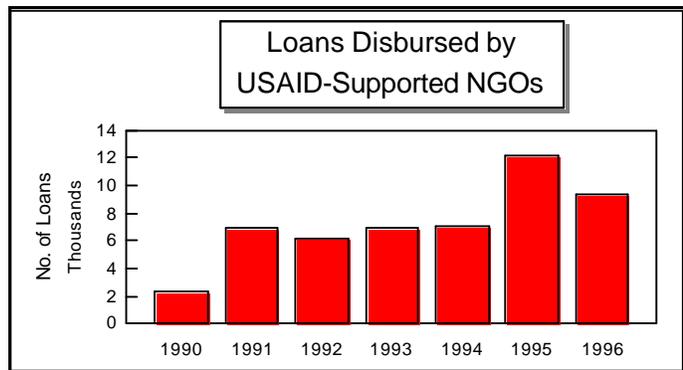
to push our relief interventions towards the development end of the continuum. Through our PL-480 and Small Ruminants CRSP activities we are working with pastoralists to find effective and more sustainable solutions to an increasingly challenging situation of this marginalized group.

Concerning input markets, 11 new varieties of horticultural crops were released by the Kenya Agricultural Research Institute (KARI) for use by farmers. KARI is working with three private companies to multiply and distribute these varieties as they are released to the public. USAID/Kenya intends to encourage more private sector and NGO participation in the multiplication, distribution and extension of these services to smallholders through a new activity under design which we intend to obligate in this fiscal year. We are working closely with the U.S. Department of Agricultural Attache in designing the project--and in our discussions with the GOK--to ensure greater access to Kenya's markets by U.S. seed companies such as Pioneer and Cargill. More than 22 new horticultural varieties are projected to be released to the market between 1997 and 1999 with USAID assistance. Through interactions with the Association for Strengthening Agricultural Research in East and Central Africa (ASARECA) and the regional private sector, these KARI varieties are likely to benefit other countries in the region.

INTERMEDIATE RESULT 2.0: *Increased Services and Labor Opportunities for (1) Smallholder Agriculturalists, and (2) Communities Adjacent to Parks and Reserves*

USAID's support for Micro and Small Enterprise (MSE) development in Kenya continued to generate employment opportunities that pull excess labor out of small-scale agriculture and provide the sector with marketing services. The GOK's Economic Survey report estimated that the MSEs sector created 450,000 jobs in 1995, representing about 60% of private sector, non-farm employment. This is far higher than the Mission's target of 120,000 new MSE jobs which was estimated using the findings of the 1995 USAID GEMINI study. It is our view, and indeed that of many of our partners, that the GOK employment figures are exaggerated. We therefore target an employment growth rate of 10% per year to 2000. The Mission will undertake periodic studies, like the GEMINI survey, to determine growth.

Providing credit is one of the critical interventions that contributes to growth and employment creation. During the reporting period, the Kenya Rural Enterprise Program (K-REP) and its network of microcredit NGO partners supported by USAID disbursed 9,400 loans valued at Kshs 350 million (\$6.5 million), with about 65% of this amount going to female recipients. Although the rate of women's participation in the development process viz. K-REP is noteworthy, more work is being done to integrate women even more fully into the development process. Specifically, the Mission has undertaken a study to identify specific venues for women's increased



Strategic Objective 2.0: Increased commercialization of smallholder agriculture and natural resource management

participation in development activities as they pertain to the strategic objective of increased commercialization of smallholder agriculture and natural resource management.

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| STRATEGIC OBJECTIVE 1: Increased commercialization of smallholder agriculture and natural resources management | | | |
| APPROVED: 30/09/96 | | COUNTRY/ORGANIZATION: USAID/Kenya | |
| RESULT 2.0: Increased services and labor opportunities for smallholders | | | |
| INDICATOR: Growth in total micro and small enterprise employment | | | |
| UNIT OF MEASURE: Number of people (in '000) | YEAR | PLANNED | ACTUAL |
| SOURCE: Economic Survey | 1995 (B) | 1,200 | 1,200 |
| INDICATOR DESCRIPTION: Number of people employed in MSEs | 1996 | 1,320 | |
| COMMENTS: The baseline and planned data is based on the USAID GEMINI Survey | 1997 | 1,452 | |
| | 1998 | 1,597 | |
| | 1999 | 1,756 | |

K-REP's activities not only contribute substantially to several agency goals, but provide the field of microfinance with a strong, tested development model. K-REP, a highly participatory micro-enterprise lending scheme using the group lending model, has helped enhance leadership qualities within the groups by accepting democratic and civic values, including the principles of equality and accountability, and access to credit by women.

K-REP's success in microfinance was cited as a model in the recent Microfinance Summit in Washington. Its leadership in Africa was also recognized by K-REP's director being invited by the U.S. Congress to participate in a roundtable discussion on microfinance during 1996. Through this excellent example of African ownership, a GHAI principle, the Mission will continue to strengthen K-REP and other grant-dependent, microfinance institutions in order to expand their outreach and help them become fully sustainable. In this regard, the Mission will support K-REP's efforts to convert from a credit-providing NGO to a formal financial institution. K-REP will be the first such institution in Africa to make this transition and will, in so doing, not only enhance its sustainability through taking in savings and dramatically expanding its outreach, but also become a mentor to similar ventures in the region.

Within this review period, the Mission launched activities which address some other key constraints facing the MSEs sector, such as a restrictive legal and regulatory environment, inadequate access to markets, and poor delivery of inputs. The Mission is also planning to work with the Kenyan government as a key actor in implementing policy change. The Mission's support will seek to strengthen GOK's policy analysis and implementation capability. Kenya's successful approaches to microenterprise development are already providing lessons to other countries in the sub-Saharan Africa region. In 1996, K-REP hosted 110 exchange program visitors from 13 African countries to learn from its experience in poverty lending.

Another major initiative offering services for smallholders and MSEs is through the more formal credit union revitalization taking place in Kenya. More than 50% of loans from credit unions go to Kenya's MSEs. Kenya's excellent track record in this AFR/SD regional initiative is reflected by the

Kenya program continuing full throttle while half the other countries involved in the program have been dropped due to relatively weaker performance as cuts in economic growth funds necessitated hard choices.

On natural resource management issues related to MSEs, Kenya Wildlife Services' (KWS) new policy of partnership and its deliberate effort to invest in community areas has clearly borne fruit in terms of increasing incomes and changing community perceptions and attitudes towards environment conservation. With the implementation of the Wildlife for Development Fund guidelines developed under the Conservation of Biodiversity Resource Areas (COBRA), communities are now directly sharing in the proceeds of parks revenue. Some \$700,000 invested in community eco-tourism related activities in four COBRA focal areas over the last year has earned a 15% return. Eco-tourism, such as cordoning off private land for tourists to visit newly established elephant sanctuaries, tented camps, and lodges directly employ nearly 1,100 people while 3,000 are indirectly employed. Clearly our partners are well integrated into the USAID/Kenya program as evidenced in the three out of the four case studies in the Mission's report of the New Partnership Initiative for which Kenya was an experiment mission.

The incentives stemming from this program have prompted various communities living around the parks and reserves to link community development activities to wildlife conservation. Some have received widespread international recognition and indeed Yellowstone National Park is closely following the community program's development for application in the U.S.--which is another "Lessons Without Borders" success potential for which Kenya is well known. So far, 50 square kilometers have been set aside for community game sanctuaries (Kimana Sanctuary - 40km² , Mwalaganje - 10km²) and one marine conservation project has been started on the Kenyan coast. Management of the sanctuaries is being done by communities with minimal support from KWS. These communities have formed associations, namely fora and wildlife conservation units, which will increase the effectiveness of wildlife and bio-diversity conservation and management through strong advocacy and lobbying for conservation. These groups are working to implement natural resource management plans through the combined efforts of various potential investors and indigenous NGO's.

In sum, the COBRA project has demonstrated real democracy in action by organizing communities to take control of their economic assets, to use these assets for the common good of the groups, and to advocate for major changes in the legal status of a community's rights to land. It also demonstrates a new partnership in local governance, whereby collaboration among three entities--government agency, private sector and civil society--has produced a major success story in natural resources management.

INTERMEDIATE RESULT 3.0: *Increasing Growth of Non-traditional Agriculture Exports*

Integral to achieving USAID/Kenya's strategic objective to commercialize smallholder agriculture is the intensification and diversification of the agriculture production system. Success of diversification lies primarily in moving from the production of lower value crops to higher value commodities, such as vegetables, fruits, and flowers. Although most of the vegetables and fruits are grown for the domestic market, the total volume of exports of these commodities has increased significantly.

Non-traditional agriculture export (NTAE)-related employment accounted for 70% of all non-traditional export employment, which is why USAID has narrowed its focus from the previous five-year CSP to include only agricultural exports. With nearly 200 firms exporting flowers, vegetables and fruit, smallholders are providing a major part of the strength behind this growing market.

Growth in NTAE export earnings showed significant gains in 1995-6. Under the Export Development Fund program of the Kenya Export Development Support (KEDS) project, forex earnings increased by 144% over the last three years, while full-time employment in these firms increased by 37%. Women accounted for 48% of these new job recipients. Total non-traditional agriculture exports, including the vibrant and dominant horticulture export market showed a 10% increase in export revenue for 1995, which met our target.

An improved policy and regulatory environment has done much to strengthen Kenya's non-traditional agricultural export sector. Examples of such reforms include the abolition of import licenses, a significant decrease in jet fuel taxes and deregulation of jet fuel prices, a lowering of import duties and a simpler, reduced tariff structure. Moreover, improvements in regional East African trade under the auspice of the East African Cooperation activities have led to a shift in the composition of Kenya's top export markets. Whereas the United Kingdom and Germany imported the bulk of Kenya's exports in 1991, Uganda and Tanzania imported most of Kenya's exports in 1995. Expansion of this trade zone is expected to increase regional trade cooperation and develop further Kenya's comparative trade advantages.

< Smallholder horticulture producers--500,000 out of Kenya's 3.5 million smallholder farmers--make four to five times more from export green beans than maize.

<Kenya, for the first time, is now the major exporter of flowers to European Union markets, overtaking Israel.

<Kenya's aggressive export push is reflected by increased participation in trade affairs: 18 in 1995, 24 in 1996, and 31 projected for 1997.

Strategic Objective 2.0: Increased commercialization of smallholder agriculture and natural resource management

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| STRATEGIC OBJECTIVE 1: Increased commercialization of smallholder agriculture and natural resources management | | | |
| APPROVED: 30/09/96 | | COUNTRY/ORGANIZATION: USAID/Kenya | |
| RESULT 3.0: Increasing growth of non-traditional agricultural exports | | | |
| INDICATOR: Annual increase in real export earnings from horticulture exports | | | |
| UNIT OF MEASURE: Percent | .YEAR | PLANNED | ACTUAL |
| SOURCE: 1996 Economic Survey, KAM, FPEAK | 1995 (B) | 10% | 10% |
| INDICATOR DESCRIPTION: Annual change in foreign earnings from horticulture, which includes cut flowers, fruits and vegetables, both fresh and processed. Total horticultural exports in the 1995 base year were \$190 million. | 1996 | 7% | 16% |
| | 1997 | 7% | |
| | 1998 | 7% | |
| | 1999 | 7% | |
| | 2000 (T) | 7% | |
| COMMENTS: Forex earnings derived from processed and fresh horticulture NTAE comprised about 85% of the total NTAE export earnings in 1995, a 16% increase from the previous year. Because it represents the bulk of total earnings, and because we are able to track these annual levels, forex earnings from horticulture NTAE will be used as a proxy for total NTAE export earnings. Our target is an annual increase of 7%. | | | |

Alongside Kenya's increase in export production, regional and international competition in the field of horticulture exports is getting stronger. For example, Uganda and Zimbabwe are increasing horticulture exports at a rate faster than that of Kenya. At the same time, European and Middle East markets are demanding top quality, pesticide-free products. In response to this challenge, the Fresh Produce Exporters Association of Kenya (FPEAK), one of the two trade associations supported under the strategic objective, conceived and launched a Code of Practice in 1996. The Code offers international buyers a quality assurance program which addresses market demands for quality, traceability, and the proper use of agro-chemicals. Another challenge that USAID will be focussing on is the problem of plant breeders' rights and royalty payments; Kenya has not met the requirements to enable it to join the International Union for the Protection of New Plant Varieties Convention. Failure to observe the international regulations set forth through this body could put Kenya's flower exports at risk, although Kenya is lobbying hard--with increasing success--for Kenya to become a member.

Increasing the capacity of selected trade associations is key to increasing the growth of exports and USAID is assisting in this capacity building. The Kenya Association of Manufacturers (KAM), which acts as the primary trade association for nontraditional agricultural export development in Kenya, has already begun to make strides towards financial self-sufficiency. For example, it is reasonable to expect the growth in the number of fully-paid agribusiness members of KAM to increase from 135 in 1995 to at least 400 in the year 2000, thus providing a base of self-support through membership fees as well as an increased prospect for revenues generated from fees for services. Other sources of fee-for-service revenue will include exhibitions, consultant services, and a data office intended to process and disseminate trade and industry market information to KAM exporting members.

Expected Progress Through FY 1999 and Management Actions

While this year represents a transition from our prior CSP to the new one, our past investments are still producing results. By examining our past performance and Agency priorities, we have refined our strategic approach and program direction to build on past success and address key development constraints. For example, our analysis showed that it cost nearly ten times as much to create a job in the larger, more formal enterprises under our venture capital activity than it did working with microenterprises; thus, our focus on MSEs. Likewise, our technology development with the Kenya Agriculture Research Institute is being narrowed to horticulture, which is where our studies have shown recent high pay-offs are occurring in the agriculture sector. We anticipate that our in-depth knowledge of the sectors we are working in and our continuous rigorous examination of program performance will produce measurable development impact toward the commercialization of smallholder agriculture and natural resource management over the CSP period.

Nevertheless, funding shortfalls over the last several years have slowed momentum and eroded our gains. The first year of our CSP saw a budget significantly less than that agreed to during our CSP negotiations; a shortfall is projected next year as well. If this continues, our targets will obviously be compromised and hard choices will have to be made as to where we back off of activities which are necessary for achieving results during the five-year CSP period. Even now, USAID's ability to build on Kenya's importance in the region under GHAI--for example, in agriculture research, microfinance, and commercialization of smallholders--is diminished because of a 75% drop in funding during the current CSP period compared to the previous five-year period.

Staffing cuts have exacerbated what is already a bad situation. Our ability to play a leadership role with the GOK and other donors in our economic growth areas is compromised with only one USDH. Being in front and building on our leadership in microfinance, environment and agriculture does not occur with a skeleton staff. Our CSP reflects integral partnerships with other donors. Not having adequate expertise to "partner" effectively goes against the spirit of reengineering and may result in USAID being isolated. Likewise, accountability--for which we have allocated substantial human and financial resources--will be weakened. Should we not be able to retain a second USDH position, we are considering other options including enterprise development interns and a AAAS fellow.

STRATEGIC OBJECTIVE 3.0: *Reduce Fertility and the Risk of HIV/AIDS Transmission Through Sustainable, Integrated Family Planning and Health Services.*

USAID continues to be a major contributor to Kenya's family planning success story, and has provided consistent, substantial and high quality support to the national family planning effort for over 20 years. USAID/Kenya is also a key donor to the HIV/AIDS prevention and health care financing sectors, providing models that have been adopted widely within the region. While drastic funding reductions of 40% in 1995/96 will reduce USAID's contribution to direct service delivery, continued USAID provision of technical assistance in focused areas, better donor coordination, and a shift to emphasizing managerial and financial capacity building will help improve prospects for sustainability over the long run.

In Kenya, the total fertility rate (TFR) continues a rapid and steady decline, meeting Mission targets. 1996 estimates reflect approximately 4.8 births per woman, down from 5.4 (1990-1993), and a baseline of 6.7 (1989). The contraceptive prevalence rate (CPR, which is a major contributor to TFR decline) among all women using modern methods has increased from 14.7% in 1989 to 27.5% (estimated) in 1996. A major challenge is that large numbers of people are currently entering their reproductive years. A recent study showed that because of the very high fertility of the late 1970s and early 1980s, it will require an almost 50% increase in the numbers of FP users over the next five years **just to maintain the current CPR level.**

Highlights

< The total fertility rate in Kenya has fallen from 7.6% in 1984-89 period to 4.8% in 1996, one of the most precipitous declines ever recorded, meeting the Mission's target.

<The USAID supported cost-sharing program with the Ministry of Health generated \$6.7 million (1995/96) in additive local funds for District level health care, meeting the Mission's target.

<Condoms sold in the private sector through the USAID social marketing program increased from 175,000 per month in 1993 to 380,000 per month in 1996, a doubling of sales in three years, meeting the Mission's target.

USAID continues to make important contributions to child survival through emphasis on birth spacing, reducing HIV/STD transmission and increasing local funding for primary and preventive services, including those which directly affect infant and child health. USAID support of the Ministry of Health's cost sharing program generated \$6.7 million in additional revenues in 1996, and 25% of these monies are reserved for primary health care. In 1996, the Mission designed a new pilot activity in one district which aims to improve prevention and management of malaria and anemia among children under five years of age and pregnant women.

HIV/AIDS is a serious health, social and economic problem in Kenya. Since 1990 the AIDS epidemic in Kenya has increased by nearly one percentage point per year. More than 1.1 million Kenyans were estimated to be seropositive in 1996. If current upward trends continue, HIV prevalence among adults nationwide is expected to approach 8.5% in 1996 and HIV prevalence among adults will reach 10% by the year 2000 - with the highest proportion infected being in the age group 20 - 45, the most productive working years. Some urban areas have seroprevalence levels as high as 30% among women attending antenatal clinics. An important strategy to prevent

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Section B. Part II: Strategic Objective 3.0: Reduce fertility and the risk of HIV/AIDS transmission through sustainable, integrated family planning and health services

HIV transmission is to increase condom use among people with non-regular sexual partners. This is expected to increase for women from 16% in 1993 to 23% and for men from 30% to 44% by the year 2000. USAID believes that increased donor and Government support and a renewed focus on control of sexually transmitted infections (STIs) as well as increased condom use with non-regular sexual partners will help to slow the epidemic. USAID/Kenya supports a range of research activities with regional and global significance including research into the efficacy and acceptability of the female condom, efficacy and cost effectiveness of HIV counselling and testing; efficacy of insecticide impregnated bednets in reducing mortality and morbidity among children; and Preparation of AIDS Vaccine Evaluation (PAVE) and mother-to-child transmission of HIV in pregnancy.

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| STRATEGIC OBJECTIVE 3: Reduce fertility and the risk of HIV/AIDS transmission through sustainable, integrated family planning and health services | | | |
| APPROVED: 30/09/96 | | COUNTRY/ORGANIZATION: USAID/Kenya | |
| RESULT: Reduce fertility and the risk of HIV/AIDS transmission through sustainable, integrated family planning and health services | | | |
| INDICATOR: Total fertility rate | | | |
| UNIT OF MEASURE: Percent | YEAR | PLANNED | ACTUAL |
| SOURCE: Kenya Demographic and Health Survey INDICATOR DESCRIPTION: Number of children that would be born per woman if she were to pass through the childbearing years bearing children according to a current schedule of age-specific fertility rates COMMENTS: | 1993 (B) | | 5.4 |
| | 1996 | 4.8 | 4.8 |
| | 1997 | 4.6 | |
| | 1998 | 4.4 | |
| | 1999 | 4.2 | |
| | 2000 (T) | 4.0 | |

USAID/Kenya 1999 R4

Section B. Part II: Strategic Objective 3.0: Reduce fertility and the risk of HIV/AIDS transmission through sustainable, integrated family planning and health services

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| STRATEGIC OBJECTIVE 3: Reduce fertility and the risk of HIV/AIDS transmission through sustainable, integrated family planning and health services | | | |
| APPROVED: 30/09/96 | | COUNTRY/ORGANIZATION: USAID/Kenya | |
| RESULT: Reduce fertility and the risk of HIV/AIDS transmission through sustainable, integrated family planning and health services | | | |
| INDICATOR: Condoms used with non-regular sexual partner | | | |
| UNIT OF MEASURE: All women, 15-49 years (Percent) All men, 20 - 54 years (Percent) | YEAR | PLANNED | ACTUAL |
| | 1993 (B) | | 16W, 30M |
| SOURCE: Kenya Demographic and Health Survey | 1996 | 19W, 36M | 19W, 36M |
| | 1997 | 20W, 38M | |
| INDICATOR DESCRIPTION: Percent of men 15 years and above and women 15-49 years reporting using condoms with non-regular sexual partners in the last six months | 1998 | 21W, 40M | |
| | 1999 | 22W, 42M | |
| COMMENTS: W refers to women and M men. This indicator will be refined when the 1998 Kenya Demographic and Health Survey is carried out. | 2000 (T) | 23W, 44M | |

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| STRATEGIC OBJECTIVE 3: Reduce fertility and the risk of HIV/AIDS transmission through sustainable, integrated family planning and health services | | | |
| APPROVED: 30/09/96 | | COUNTRY/ORGANIZATION: USAID/Kenya | |
| RESULT: Reduce fertility and the risk of HIV/AIDS transmission through sustainable, integrated family planning and health services | | | |
| INDICATOR: Annual Ministry of Health cost sharing revenue | | | |
| UNIT OF MEASURE: \$ Millions | YEAR | PLANNED | ACTUAL |
| | 1993 /94 (B) | | 3.6 |
| SOURCE: Ministry of Health Annual Reports | 1996 | 6.7 | 6.7 |
| | 1997 | 7.5 | |
| INDICATOR DESCRIPTION: Total collections of cost sharing as reported by government facilities to the National Health Care Financing Secretariat | 1998 | 8.4 | |
| | 1999 | 9.2 | |
| COMMENTS: | 2000 (T) | 10 | |

INTERMEDIATE RESULT 1.0: *Non-USAID Financial Resources for Family Planning, HIV/AIDS and Child Survival Increased.*

While USAID has been the lead donor in the area of family planning and one of the major donors in HIV/AIDS control, budget cuts have made it imperative to increase non-USAID donor and other resources for the primary and preventive services. Collaboration with European donors, Japan and the World Bank is therefore urgently required to generate the additional resources necessary to support the increasing numbers of people in need of FP, HIV/AIDS and child survival services. Better and more efficient use of cost sharing revenues for primary and preventive services, and

designating specific line item allocations for FP and HIV/AIDS in the Ministry of Health budget, will provide additional resources as well.

In 1996, USAID set aside funds for a Vaccine Independence Initiative (VII) that should help Kenya to become less dependent on donor provision of vaccines to its national immunization program. Progress towards setting up a steering committee, however, is subject to ongoing reorganization of the Ministry of Health. The Government of Kenya (GOK) will be encouraged to set up specific multi-year plans and budgetary line items for FP, HIV/AIDS and child survival. Some targets have already been met: a National Implementation Plan (NIP, 1995-2000) for family planning was developed with USAID assistance and released in 1996; and a Sessional Paper on Population which revises Kenya's population policy and targets will be reviewed by Parliament in 1997. Formal release of this Paper and revision of the Health Reform Implementation Plan will be important indicators of GOK commitment to these sectors.

USAID has begun to formally collaborate with the Government of Japan, setting up a Common Agenda Coordination Committee that began meeting in late 1996. This reflects over two years of exploratory talks and joint participation by both countries on USAID project designs and Government of Japan health sector assessments. Specific programming for "parallel" activities are scheduled to begin in 1997. Other donors are also utilizing USAID technical assistance teams. The British Government/ODA, uses the USAID-supported family planning logistics management team to deliver ODA-provided STI drugs for the National AIDS Control Program. DANIDA will utilize the technical services of this same US contractor for the delivery of essential drugs and vaccines. The FP logistics unit is expected to set the standard for a general reorganization of the central drug procurement and supply system, and help support an integrated, more efficient drug supply system. Other countries in the region are already studying this model for replication.

INTERMEDIATE RESULT 2.0: *Capacity of Public and Private Health Institutions to Finance, Plan and Manage Resources Increased.*

After several years of steady progress in institutionalization of Kenya's national public sector cost-sharing program, broad health reforms in Kenya have finally moved to center-stage. USAID continues to play a key role in these developments with lessons learned being translated to neighboring USAID programs.

During 1996 with USAID support, the MOH completed an unprecedented effort to restructure its management operations, unequivocally defining a lean central authority to be supported by broad-based decentralized authorities at the district and community levels. A central division of policy, planning and development has been established, along with departmental status for a health reform secretariat.

During 1995/96, the national cost sharing program surpassed the \$20 million mark in non-tax revenues generated in the public sector since 1991/92. Annual public sector cost sharing revenues are growing and now average over \$7 million per annum, which exceeds Mission (and national) targets. USAID/Kenya can claim a 100% plus return on its original investment of some \$16 million which supported introduction of cost sharing in Kenya. Cost sharing revenue as a percentage of

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Section B. Part II: Strategic Objective 3.0: Reduce fertility and the risk of HIV/AIDS transmission through sustainable, integrated family planning and health services

non-wage recurrent costs increased from 13% in 1994/95 to 16% in 1996. This is on track in relation to our goal of 25% by the year 2000. In addition, the national cost sharing program continues to be a flag-carrier for decentralized health reforms, clearly demonstrating that people can and will participate in financing of their own health care. Decentralized authorities are increasingly establishing control and management of cost sharing funds within the public interest, and the private sector is increasingly leading the way in establishing risk-sharing schemes such as private health insurance and managed-care facilities.

Decentralized financing and management of public and private health care is well on its way in Kenya, due substantially to USAID efforts and investments over the past several years. During the coming period, USAID will facilitate alternative financing of health care in Kenya in several ways. Key to our success is the continued technical support to the MOH in further strengthening of a national, decentralized cost sharing program. USAID will also provide assistance to the MOH to move forward passage of a new national health insurance act that intends to liberalize and encourage development of competitive market-driven health insurance schemes. Regarding managed care, USAID will promote risk sharing management care and cost recovery schemes whereby people in higher income brackets can better afford private sector services, thus further reducing the public sector's health care burden.

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| STRATEGIC OBJECTIVE 3: Reduce fertility and the risk of HIV/AIDS transmission through sustainable, integrated family planning and health services | | | |
| APPROVED: 30/09/96 | | COUNTRY/ORGANIZATION: USAID/Kenya | |
| RESULT 2.0: Capacity of public and private institutions to finance, plan and manage resources increased | | | |
| INDICATOR: Cost-sharing revenue as a proportion of the annual Ministry of Health non-wage recurrent budget | | | |
| UNIT OF MEASURE: Percent | YEAR | PLANNED | ACTUAL |
| SOURCE: Ministry of Health | 1994/95 (B) | | 13.2 |
| INDICATOR DESCRIPTION: Cost sharing revenues that together with other revenues make up the total non-wage resources | 1996 | 16.0 | 16.0 |
| COMMENTS: Increases in the cost sharing proportion are only valuable if the total recurrent budget is treated as a constant | 1997 | 18.3 | |
| | 1998 | 20.5 | |
| | 1999 | 22.8 | |
| | 2000 (T) | 25 | |

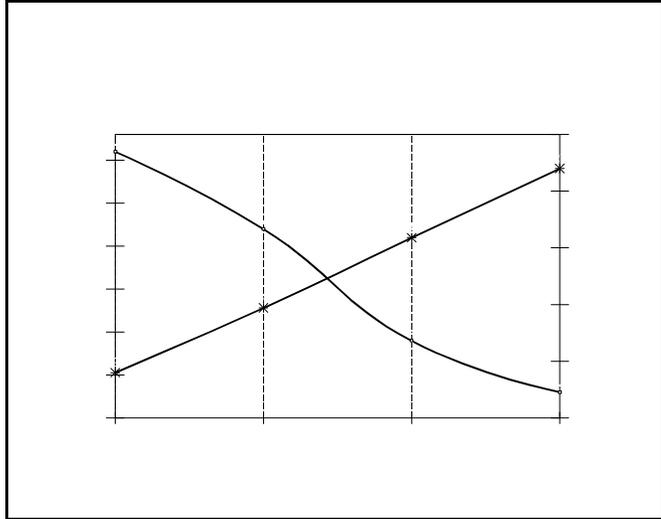
Section B. Part II: Strategic Objective 3.0: Reduce fertility and the risk of HIV/AIDS transmission through sustainable, integrated family planning and health services

INTERMEDIATE RESULT 3.0: *Customer Use of Integrated FP/HIV/AIDS/CS Services Increased.*

Section B. Part II: Strategic Objective 3.0: Reduce fertility and the risk of HIV/AIDS transmission through sustainable, integrated family planning and health services

Over the past 10 years, programs undertaken by USAID/Kenya have improved the availability of family planning services nationwide and increased the awareness of HIV/AIDS. Due to budget decreases begun in 1996, USAID/Kenya's support to the population and health sector will necessarily shift its emphasis from direct service delivery to systems strengthening and capacity building to ensure that the Ministry of Health and selected Kenyan NGOs can continue to deliver services with alternative donor financing. An integrated approach to the delivery of family planning, child survival and HIV/AIDS prevention services will be stressed.

Models based on information from the 1989 and 1993 Demographic and Health Surveys (DHS) along with annual national contraceptive distribution information demonstrate that the 1996 contraceptive prevalence rate for all women of reproductive age using a modern method now stands at 27.5%, up from 14.7% in 1989. This is a phenomenal increase which demonstrates the success of the Mission's past strategies of focusing on improving access to family planning services. During the past 10 years USAID/Kenya focused primarily on the "supply side" of the program, e.g., supplying of contraceptives, training of service providers, and paying salary costs for Kenyan NGOs to expand coverage.



As the Kenya family planning program matures, USAID strategies for supporting the national family planning program will shift. An example is the Mission's decision to end the Private Sector Family Planning Project one year early. Over a thirteen year period, this project successfully introduced family planning services into more than 200 work sites in Kenya's commercial sector. The concept of provision of family planning services in the work place is now well established and will continue without direct USAID assistance. Resources that would have been used for the final year of the Private Sector Family Planning Project can now be reprogrammed. Continued streamlining of our portfolio will also result in a more efficient use of dwindling resources. Review of our FP/AIDS service delivery portfolio has resulted in an ongoing analytical process which seeks to "weed out" long-time recipients of USAID assistance who are not performing well; identify the best, most cost-efficient service delivery organizations and continue to provide appropriate support; and streamline our management of many individual grants and contracts.

In the future, a key strategy of increasing customer use of family planning methods is to increase the quality of care along with the overall use of effective, modern methods in a balanced way while decreasing non-use and traditional/other methods. Between 1989 and 1996, the Kenya program has demonstrated a steady increase in the use of: oral pills - up 52%; injectables - up 65%; voluntary surgical contraception - up 25%; and use of condoms - up 75%. USAID will continue to

Section B. Part II: Strategic Objective 3.0: Reduce fertility and the risk of HIV/AIDS transmission through sustainable, integrated family planning and health services

monitor the national contraceptive method mix to assure that women choosing to space and limit the size of their families are offered a full range of methods and the finest quality of care possible.

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| STRATEGIC OBJECTIVE 3: Reduce fertility and the risk of HIV/AIDS transmission through sustainable, integrated family planning and health services | | | |
| APPROVED: 30/09/96 | | COUNTRY/ORGANIZATION: USAID/Kenya | |
| RESULT 3.0: Customer use of integrated FP/HIV/AIDS/CS services increased | | | |
| INDICATOR: Contraceptive prevalence rate among all women | | | |
| UNIT OF MEASURE: Women 15-49 years (Percent) | YEAR | PLANNED | ACTUAL |
| SOURCE: Kenya Demographic and Health Survey | 1993 (B) | | 21.0 |
| | 1996 | 27.0 | 27.5 |
| INDICATOR DESCRIPTION: Women 15-49 years reporting current use of a modern method of contraception | 1997 | 30.1 | |
| | 1998 | 32.8 | |
| COMMENTS: | 1999 | 35.4 | |
| | 2000 (T) | 38.0 | |

Another strategy is to create and leave in place national support systems for areas such as: supply of contraceptives and STD drugs; national training curricula and scheduled refresher courses; a national focal point for all health related information, education and communication messages; and a national program of high quality surgical contraception. A national family planning logo was created and approved in 1996 and will be launched in 1997. USAID will continue to provide as much specialized technical assistance as is required to put these systems in place, assuming adequate funds are available, and looking to indigenize most expertise over the next few years.

Condoms sold through the Mission-supported social marketing activities increased from 319,000 in 1989, to 2.1 million in 1993 and 4.5 million in 1996. In addition to preventing HIV transmission by changing high risk behavior through increased condom use and expansion of condom availability, USAID has undertaken other innovative programs in Kenya. USAID has supported MAP International to increase the capacity of Kenyan churches to initiate and manage effective, culturally and locally appropriate HIV/AIDS control programs within their communities. One result has been that churches and sects have begun to discourage traditional practices thought to promote the spread of AIDS, such as inheritance of a widow by the brother or family member of the deceased husband.

USAID has undertaken activities to strengthen the MOH capacity to forecast, analyze and use surveillance data to inform policy makers about the health, demographic and economic impact of HIV/AIDS on Kenya. In 1996, the Vice President of Kenya and the U.S. Ambassador to Kenya presided at the launch of an innovative new book describing the socioeconomic impacts of AIDS in Kenya written by Kenyan authors. The highly supportive remarks by the Vice President coupled with a subsequent public statement on HIV/AIDS by the President of Kenya, represent an important

change in the tenor of political support by high level leaders who until recently have been relatively silent on the AIDS epidemic in Kenya

USAID has supported an AIDS NGOs Consortium which now works with over 320 NGOs and community-based organizations to strengthen and build their capacities to undertake AIDS advocacy and policy promotion nationally and locally. In work places and institutions of higher learning, USAID has supported seminars for management staff, identified and trained peer educators and begun peer education activities, which include discussions about sexuality and use of condoms. Over 35,000 employees and students have been reached in universities and technical colleges and private sector or parastatal companies such as Kenya Ports Authorities, BATA shoes and security guard companies in Nairobi. Another innovative program has targeted the young men, known as "matatu touts", who attract passengers and collect money on the thousands of minivans and buses plying Kenya's roads. Between the 1989 and 1993 DHS, there was a doubling in number of men who reported using a condom with non-regular sexual partners.

The Mission's approach for improving child survival and maternal health in Kenya is through its support for decreasing frequent, closely spaced births, decreasing STD and HIV infections and increasing public sector revenue generated at the district level for primary and preventive health care. New efforts in targeted districts (e.g., Bungoma District of Western Kenya) will focus on malaria prevention and control through correct diagnosis and treatment of fever and effective use of insecticide-impregnated bednets. This activity will begin in FY 97.

The Mission will continue to support research, monitoring and evaluation activities to track progress. National surveys such as the DHS and the FAMPLAN modeling efforts will monitor and forecast annual trends in contraceptive use and fertility changes as well as child survival indicators. Planning for the 1998 DHS is now under way. The AIDS Impact Model (AIM) will forecast trends in the spread of AIDS. Together, these tools enable the Mission to accurately describe both the population dynamics and the economic and demographic impacts of the AIDS epidemic in Kenya.

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| APPROVED: 30/09/96 | | COUNTRY/ORGANIZATION: USAID/Kenya | |
| INTERMEDIATE RESULT 3.0: Customer use of integrated FP/HIV/AIDS/CS services increased | | | |
| INDICATOR: TRUST condom sales | | | |
| UNIT OF MEASURE: Number of condoms sold per month | YEAR | PLANNED | ACTUAL |
| SOURCE: PSI Reports | 1994 (B) | | 200,000 |
| INDICATOR DESCRIPTION: Average monthly number of condoms sold through the social marketing program | 1996 | 380,000 | 380,000 |
| | 1997 | 785,000 | |
| COMMENTS: The Mission is monitoring and reporting actual sales of condom instead of warehouse off-take figures reported in FY 1996 R4. This change has resulted in a 1.5 Million negative difference in total condom sales reported as sold between 1995 and 1996 | 1998 | 1,190,000 | |
| | 1999 | 1,595,000 | |
| | 2000 (T) | 2,000,000 | |

Expected Progress Through FY 1999 and Management Actions

FY 1996 has been a transition period for SO 3. The challenge -- to achieve fertility decline and decrease the risk of HIV/AIDS transmission -- with significantly reduced program resources (40%) in our health portfolio is daunting. Affecting fertility decline and the confounding impact of a spreading HIV epidemic does not come cheaply, and resources have been decreased from over \$20 million a year to less than \$11 million. Kenya (as compared to many Asian "success stories") started its fertility transition from some of the highest fertility and population growth rates ever recorded. However, its progress in increasing modern contraceptive use has been equal to if not greater than most more economically developed countries (e.g., Indonesia). Continued progress will require increased resources. As is typically the case in cash-poor countries, the Government of Kenya (GOK) will continue to rely heavily on external resources to support its family planning (as well as other MCH) efforts. As USAID/K's budget continues to decrease, our ability to directly impact the outcomes of FP efforts will be substantially reduced. This raises questions regarding the fertility reduction component of SO 3.

Further, the Mission's SO 3 supports a wide variety of USAID/W and regional interests in population/family planning, HIV/AIDS prevention and child survival, reflecting not only the bilateral but regional importance of the Kenya program. Our ability to continue to manage these additional activities is called into question by the deletion of the second USDH position within the SO 3 team in FY 1997. This significant staff cut will hamper our ability to technically monitor results, ensure accountability and pursue the considerable time and effort (but hopefully long-term payoffs) our donor coordination activities entail. The next R4 will report on progress made in light of these drastic funding and staff cuts, and determine whether the SO should be modified. The Mission will also undertake a thorough review of gender issues within the population and health sector in 1997 to better focus strategies and services for women and their access to reproductive health care.

PART III Status of the Management Contract

USAID/Kenya's Country Strategic Plan was approved in March 1996. The plan still stands and there are no changes anticipated in the management contract.